

Florida Fluid Milk Report

Upper Florida Marketing Area
Federal Order No. 6
Tampa Bay Marketing Area
Federal Order No. 12
Southeastern Florida Marketing Area
Federal Order No. 13



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August 1980

Market Summary

UPPER FLORIDA

Receipts of producer milk at pool plants regulated under Order No. 6 during July 1980 totaled 54.1 million pounds. Deliveries were down 5.6 million pounds from the previous month and 4.0 million pounds below the same month of the previous year.

During July, 50.0 million pounds of producer milk was classified as Class I -- down 2.2 million pounds from the previous month and down 4.1 million pounds from July 1979. The percentage of producer milk in Class I was 92.44% in July compared to 87.45% the previous month and 93.16% a year ago.

The uniform price to producers during July was \$14.32 per cwt. -- up 11 cents from June 1980 and 97 cents above July 1979.

TAMPA BAY

Producers delivered 47.0 million pounds of milk to pool plants regulated under Federal Order No. 12 during July 1980. Producer milk deliveries were down 1.2 million pounds from June and were up 6.7 million pounds from July 1979.

Producer milk classified as Class I milk as used in the computation of the uniform price to producers totaled 42.2 million pounds. Class I producer milk totaled 41.7 million pounds in June and 36.8 million pounds during July a year ago. Class I milk was 89.64% of the total producer milk during July 1980 compared to 86.52% last month and 91.35% during July of last year. (Continued on page 6)

Program News

PROPOSED CHANGE IN PRICING OF RECONSTITUTED MILK

The Department of Agriculture has indicated informally that there will be no hearing for the time being on the proposal of the Community Nutrition Institute to eliminate Federal order pricing of fluid milk products reconstituted from powder and water in handlers' plants. The Department indicated that further evaluation of the proposal will be made and the public given an opportunity to comment on a revised impact statement. Also, the Department indicated that, in the meantime, there will be additional research conducted on other aspects of the issue.

EVALUATING TRENDS IN MARKETING AREA CLASS I SALES

The trend in Class I sales in the three Florida marketing areas is of interest to all segments of the dairy industry. Over the years Florida has been a growing consumer market and this growth has been reflected in increasing fluid milk sales. Producers and those engaged in milk promotional work follow closely the statistics published by this office which show trends in the disposition of Class I milk products within the marketing areas.

It is not practical to identify and evaluate the trend in fluid milk sales merely by comparing month-to-month changes in the disposition of packaged (Continued on page 7)

Computation of the Uniform Prices for Producer Milk July 1980

	<u>Order 6</u>		<u>Order 12</u>		<u>Order 13</u>	
	<u>% OF TOTAL</u>	<u>PRODUCT POUNDS</u>	<u>% OF TOTAL</u>	<u>PRODUCT POUNDS</u>	<u>% OF TOTAL</u>	<u>PRODUCT POUNDS</u>
CLASS I MILK	92.44	50,003,470	89.64	42,153,954	92.49	54,585,175
CLASS II MILK	7.56	4,089,597	10.36	4,869,384	7.51	4,429,447
CLASS III MILK					-0-	-0-
TOTAL PRODUCER MILK	100.00	54,093,067	100.00	47,023,338	100.00	59,014,622
OTHER SOURCE MILK		158,944		-0-		126,441
TOTAL MILK		54,252,011		47,023,338		59,141,063
	<u>Value</u>		<u>Value</u>		<u>Value</u>	
CLASS I MILK	\$7,255,503.50		\$6,158,692.68		\$8,084,064.42	
CLASS II MILK	485,844.13		578,482.82		526,218.30	
CLASS III MILK					-0-	
TOTAL	\$7,741,347.63		\$6,737,175.50		\$8,610,282.72	
ADJUSTMENTS:						
HANDLERS' LOCATION ADJ.	19,542.16		- 27,726.63		- 1,725.92	
OVERAGE	-0-		-0-		-0-	
BULK INVENTORY	-0-		654.86		-0-	
PACKAGED INVENTORY	- 788.98		- 481.49		- 680.60	
OTHER SOURCE RECEIPTS	23,062.77		-0-		18,725.91	
TOTAL VALUE TO HANDLERS	\$7,783,163.58		\$6,709,622.24		\$8,626,602.11	
LOCATION ADJUSTMENTS	- 21,539.77		34,681.58		1,725.92	
FROM PRODUCER SETTLEMENT FUND	29,579.17		24,657.21		25,217.47	
TOTAL VALUE OF MILK	\$7,791,202.98		\$6,768,961.03		\$8,653,545.50	
RESERVE	- 22,315.00		- 21,112.03		- 24,864.41	
VALUE AT UNIFORM PRICE	\$7,768,887.98		\$6,747,849.00		\$8,628,681.09	
UNIFORM PRICE	\$14.32*		\$14.35		\$14.59	
BUTTERFAT DIFF'L	\$ 0.160		\$ 0.160		\$ 0.160	
AVERAGE BUTTERFAT TEST	3.3757%		3.4364%		3.4431%	

* 10 cents higher at plants located in or south of Flagler, Levy, Marion or Volusia Counties.

U.S. Milk Production and Prices*

JULY MILK PRODUCTION UP 3% FROM PREVIOUS YEAR

July milk production totaled 11.0 billion pounds, down seasonally, but 3% above July 1979.

Accumulated production for the first months of 1980 totaled 76.0 billion pounds, 4 percent above the same period last year.

July production per cow averaged 21.0, 21 pounds more than a year ago and 4 pounds more than July 1978.

July milk cows averaged 10.8 million head, 1 percent above last year and fractionally above July 1978.

Reprinted from "MILK PRODUCTION", Crop Reporting Board, U.S.D.A., August 12, 1980.

DAIRY PRODUCTS *

JULY 1980

BUTTER

June butter production was 93.8 million pounds -- 19 percent less than May but 13 percent more than June 1979.

AMERICAN CHEESE

Production totaled 223 million pounds, 3 percent below last month but 5 percent above a year earlier.

TOTAL CHEESE OUTPUT

Excluding cottage cheese, production was 354 million pounds, down 1 percent from the previous month but 3 percent above the previous year.

OTHER PRODUCTS

Following are changes in June production compared to a year ago:

CREAMED COTTAGE CHEESE	- down 5%
LOWFAT COTTAGE CHEESE	- up 14%
ICE CREAM	- up 1%
ICE MILK	- down 3%
SHERBET	- down 1%
DRY WHOLE MILK	- down 9%
DRY BUTTERMILK	- down 6%
NONFAT DRY MILK (human use)	- up 18%

* Reprinted from "DAIRY PRODUCTS", Crop Reporting Board, U.S.D.A., July 31, 1980.

MILK-FEED PRICE RATIO, 1976-1980, BASED ON 16% DAIRY FEED

MONTH	1976	1977	1978	1979	1980
January	1.49	1.31	1.50	1.61	1.54
February	1.44	1.26	1.52	1.59	1.57
March	1.43	1.28	1.51	1.58	1.55
April	1.39	1.28	1.47	1.56	1.55
May	1.35	1.23	1.47	1.53	1.53
June	1.28	1.26	1.43	1.51	1.50
July	1.30	1.35	1.45	1.43	1.47
August	1.34	1.46	1.54	1.50	
September	1.34	1.56	1.59	1.54	
October	1.37	1.62	1.64	1.55	
November	1.38	1.58	1.62	1.58	
December	1.34	1.51	1.63	1.57	
Annual	1.37	1.39	1.53	1.55	

Source: "Agricultural Prices", Crop Reporting Board, U. S. D. A.

Producer Prices in Selected Federal Order Markets

(dollars per cwt. for 3.5 milk)

Market	Class I Prices		Uniform Prices <u>1/</u>
	(AUG.)	(JULY)	(JULY)
Tennessee Valley	13.78	13.76	13.25
Louisville	13.38	13.36	12.59
Chicago Regional	12.94	12.92	12.20
Georgia	13.98	13.96	13.52
Memphis	13.62	13.60	13.29
Nashville	13.53	13.51	12.67
New Orleans-Mississippi	14.53	14.51	13.79
Tampa Bay	14.63	14.61	14.35
Southeastern Florida	14.83	14.81	14.59
Upper Florida	14.53	14.51	14.32

1/ Or weighted average of base and excess prices.

Southeastern Florida
Order No. 13

	JULY 1980		JULY 1979		JULY 1978
	(Pounds)	(B.F. Lbs.)	(Pounds)	(B.F. Lbs.)	(Pounds)
Class I Milk					
Whole Milk	42,644,257	1,436,118	41,146,917	1,377,071	30,345,62
Skim Milk and Lowfat Milk	16,269,146	206,438	15,630,225	194,059	12,461,21
Flavored Milk and Milk Drinks	1,751,368	37,806	1,733,194	38,750	1,021,64
Buttermilk	575,399	7,244	575,052	7,492	795,40
Total Packaged Class I Disposition	61,240,170	1,687,606	59,085,388	1,617,372	44,623,89
In the Area	(58,351,099)	(1,614,370)	(55,768,178)	(1,533,565)	(36,863,29
Out of the Area	(2,889,071)	(73,236)	(3,317,210)	(83,807)	(7,760,59
Transfers to Nonpool Plants			862,479	28,093	1,009,60
Total Class I Disposition	61,240,170	1,687,606	59,947,867	1,645,465	45,633,50
Closing Inventory (Packaged)	3,596,669	97,708	3,953,839	106,494	2,409,69
Unaccounted for Milk	236,084	32,528	200,326	8,358	202,25
Total Class I Milk	65,072,923	1,817,842	64,102,032	1,760,317	48,245,45
Percent Change from Last Year	+ 1.5		+ 4.9		+ 17.9
Less Nonpool Receipts ^{1/}	10,487,748	285,384	4,940,463	131,319	6,091,49
PRODUCER MILK IN CLASS I	54,585,175	1,532,458	59,161,569	1,628,998	42,153,95
Class II Milk					
Half & Half	926,065	96,155	897,407	93,209	303,92
Light Cream	21,266	3,866	43,399	8,147	12,21
Heavy Cream	55,756	19,843	128,562	46,584	40,21
Frozen Desserts	2,283,818	150,051	2,030,299	111,160	2,037,60
Other Class II Products	1,273,642	19,511	1,049,819	12,368	2,470,65
Total Class II Products	4,560,547	289,426	4,149,486	271,468	4,864,63
Transfers to Nonpool Plants	941,967	310,220	1,053,663	306,956	1,641,90
Closing Inventory (Packaged)	101,362	13,462	164,187	28,539	79,16
Closing Inventory (Bulk)	1,664,700	90,700	1,057,375	58,927	3,089,28
Shrinkage	957,566	34,332	716,923	21,939	843,48
Total Class II Milk	8,226,142	738,140	7,141,634	687,829	10,518,46
Percent Change from Last Year	+ 15.2		- 6.2		+ 21.7
Less Nonpool Receipts ^{1/}	3,796,695	238,685	2,954,085	191,470	5,649,07
PRODUCER MILK IN CLASS II	4,429,447	499,455	4,187,549	496,359	4,869,39
PRODUCER MILK IN CLASS III					
Producer Milk All Classes	59,014,622	2,031,913	63,349,118	2,125,357	47,023,33
Average Butterfat Test		3.44%		3.36%	

^{1/} Includes, whenever applicable, receipts of other source milk in any form, beginning inventory, and overage.

Classification of Milk Plants

Tampa Bay Order No. 12

1980	JULY 1979	
(B.F. Lbs.)	(Pounds)	(B.F. Lbs.)
999,117	26,644,479	876,280
137,781	10,097,007	111,054
13,772	1,027,037	13,054
<u>8,673</u>	<u>781,988</u>	<u>10,515</u>
1,159,343	38,550,511	1,010,903
(955,436)	(34,448,529)	(902,199)
(203,907)	(4,101,982)	(108,704)
<u>26,073</u>	<u>17,474</u>	<u>452</u>
1,185,416	38,567,985	1,011,355
59,469	2,234,788	56,590
<u>19,843</u>	<u>121,852</u>	<u>11,432</u>
1,264,728	40,924,625	1,079,377
	+ 1.7	
<u>154,322</u>	<u>4,106,096</u>	<u>90,903</u>
1,110,406	36,818,529	988,474
32,422	296,364	31,354
3,017	13,677	2,478
13,261	37,486	13,172
272,507	3,274,670	220,029
<u>94,144</u>	<u>2,178,849</u>	<u>72,473</u>
415,351	5,801,046	339,506
337,914	741,702	244,017
12,424	92,732	16,184
132,763	1,305,618	67,196
<u>31,925</u>	<u>704,715</u>	<u>26,044</u>
930,377	8,645,813	692,947
	- 6.0	
<u>424,885</u>	<u>5,161,017</u>	<u>289,888</u>
505,492	3,484,796	403,059
1,615,898	40,303,325	1,391,533
	3.45%	

Upper Florida Order No. 6

JULY 1980		JULY 1979	
(Pounds)	(B.F. Lbs.)	(Pounds)	(B.F. Lbs.)
37,859,442	1,230,144	40,936,802	1,335,858
10,860,622	126,838	11,135,896	132,877
1,938,434	40,223	2,178,262	46,843
<u>1,189,906</u>	<u>8,054</u>	<u>1,208,393</u>	<u>10,333</u>
51,848,404	1,405,259	55,459,353	1,525,911
(40,657,329)	(1,098,384)	(45,552,298)	(1,249,316)
(11,191,075)	(306,875)	(9,907,055)	(276,595)
<u>1,174,889</u>	<u>34,510</u>	<u>808,034</u>	<u>20,722</u>
53,023,293	1,439,769	56,267,387	1,546,633
4,055,608	104,190	4,042,972	103,434
<u>112,403</u>	<u>26,098</u>	<u>386,965</u>	<u>38,783</u>
57,191,304	1,570,057	60,697,324	1,688,850
- 5.8		+ 10.0	
<u>7,187,834</u>	<u>188,834</u>	<u>6,573,627</u>	<u>174,991</u>
50,003,470	1,381,223	54,123,697	1,513,859
553,358	59,219	466,278	49,517
15,317	2,757	12,305	2,227
71,673	25,582	64,445	23,056
5,667,127	381,911	6,199,617	376,104
<u>982,900</u>	<u>10,932</u>	<u>716,043</u>	<u>3,215</u>
7,290,375	480,401	7,458,688	454,119
795,086	183,286	927,964	261,612
122,922	18,650	101,527	14,478
2,512,803	101,511	1,784,669	89,042
<u>529,670</u>	<u>29,489</u>	<u>1,030,693</u>	<u>34,962</u>
11,250,856	813,337	11,303,541	854,213
- 0.5		+ 8.7	
<u>7,161,259</u>	<u>368,518</u>	<u>7,330,572</u>	<u>371,708</u>
4,089,597	444,819	3,972,969	482,505
54,093,067	1,826,042	58,096,666	1,996,364
	3.38%		3.44%

Market Summary

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The uniform price per cwt. for July milk was \$14.35, an increase of 8 cents from the previous month and 91 cents above July of last year.

SOUTHEASTERN FLORIDA

Receipts of producer milk at pool plants regulated under Federal Order No. 13 totaled 59.0 million pounds of milk during July 1980. Compared to the previous month, receipts of producer milk were down 2.4 million pounds and 4.3 million pounds below July 1979.

In the July equalization pool, 54.6 million pounds of milk was classified as Class I. Class I producer milk was down 2.6 million pounds from last month, and was 4.6 million pounds below July 1979. Class I milk was 92.49% of the total during July compared to 93.17% the previous month and 93.39% during July of the previous year.

The uniform price to producers under Order No. 13 for July milk was \$14.59 per cwt. The uniform price was down 4 cents from June and was 94 cents above July 1979.

PRODUCE SUMMARY

Under the three Florida milk orders, 436 producers delivered 160.1 million pounds of milk to pool plants. This compared to 425 producers and 169.3 million pounds during the previous month and 463 producers and 161.7 million pounds during July 1979. Producer milk deliveries in July were down 5.4% from June and were 1.0% below July of last year.

The average milk delivery per producer was 11,853 pounds per day for all producers delivering to plants under Federal Orders 6, 12, and 13. The average daily delivery per producer was 7,925 pounds under Order No. 6, 10,198 pounds under Order No. 12, and 28,468 pounds under Order No. 13.

Farm Costs and Prices*

PRICES RECEIVED INDEX UP 12 POINTS PRICES PAID INDEX UP 2 POINTS

The July Index of Prices Received by Farmers increased 12 points (5.2 percent) to 244 percent of its January-December 1967 average, according to the Crop Reporting Board. Contributing most to the increase since June were higher prices for hogs, soybeans, corn, broilers, potatoes and cattle. The Index was unchanged from a year ago.

The Index of Prices Paid by Farmers for Commodities and Services, Interest, Taxes and Farm Wage Rates for July 15 was 280, up 2 points (.7 percent) from mid-June. The major contributors to the increase were higher prices for: (1) feed, (2) family living items and (3) feeder livestock. Compared to a year earlier, the Index was up 28 points (11 percent).

The Ratio of the Index of Prices Received to the Index of Prices Paid, Including Interest, Taxes, and Farm Wage Rates was 87 for the month of July 1980. The ratio was up 4 points from the previous month and down 10 points from the same period a year ago.

* Reprinted from "AGRICULTURAL PRICES", issued July 31, 1980, by the Crop Reporting Board, U.S.D.A.

Manufactured Dairy Product Prices (cents per pound)

Month	Butter	Nonfat Dry Milk	Cheddar Cheese
	(92-Score Chicago)	(Spray Process, Chicago Area)	(Wis. Assembling Points, 40 lb. Blocks)
<u>1979</u>			
July	122.72	79.16	123.65
Aug.	128.71	79.75	128.52
Sept.	127.80	80.96	131.50
Oct.	128.77	82.94	128.80
Nov.	129.99	83.84	125.76
Dec.	130.16	83.87	125.00
<u>1980</u>			
Jan.	130.16	83.70	125.64
Feb.	130.28	83.78	126.00
Mar.	130.35	84.24	129.60
Apr.	134.26	87.11	131.43
May	136.88	89.16	131.00
June	138.95	89.17	130.86
July	139.31	89.29	130.82
1978 Avg.	109.76	71.06	107.08
1979 Avg.	122.43	79.55	123.77

Disposition of Packaged Class I Milk Products Inside the Marketing Area

	JULY 1980	JULY 1979	PERCENT CHANGE	
	Pounds	Pounds	Actual	Adjusted
ORDER 6	51,077,043	52,722,305	-3.1	-4.1
ORDER 12	45,004,825	42,058,352	+7.0	+4.5
ORDER 13	60,770,390	58,218,098	+4.4	+3.0
3 MARKET TOTAL	156,852,258	152,998,755	+2.5	+1.0

NOTE: The data shown herein includes products disposed of by producer-handlers, non-pool distributing plants and other order plants as well as pool plants.

The quantities shown are actual pounds. The adjusted percentages reflect variation in sales due to calendar composition.

Number of Plants and Handlers July 1980

	ORDER 6	ORDER 12	ORDER 13
Total No. of Handlers	32	15	19
Distributing Plants	8	8	8
Supply Plants	1	1	0
Part. Reg. Dist. Plants	4	0	0
Other Order Plants	14	3	8
Producer-Handlers	1	0	0
Coop. Ass'ns as Handlers	4	3	3

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Class I products. This is because there are other factors that cause fluid sales to vary from month-to-month. One such factor is the variation due to the seasonality of sales. In Florida these seasonal variations are substantial because of the winter tourist trade. However, it is relatively easy to eliminate most, if not all, of this seasonal variation by comparing monthly Class I disposition in the current year with the same month of the previous year.

The other major cause of variation in fluid milk sales is variation due to calendar composition. This variation occurs because sales are not made by handlers in the same relative proportions on each day of the week. For example, very little milk is processed and disposed of to retail outlets on Sunday, but relatively large volumes are disposed of on Saturday. This day-to-day variation in actual handler disposition means that monthly disposition will vary solely because of the make-up of the calendar. A month with five Sundays is likely to have lower sales volumes than a previous month with five Saturdays, even though there may have been an upward trend in fluid milk sales.

June 1980 was a month when the effects of calendar composition were significant and June serves as a good example of the importance of adjusting reported disposition when making comparisons with the previous year. June 1980 contained five Sundays and Mondays, whereas June of 1979 contained five Fridays and Saturdays. As indicated above, Sunday is very low volume sales days for processing plants. On the other hand, both Friday and Saturday are both higher than average sales days. For this reason sales in June 1979 were influenced in a positive way because of the five Fridays and Saturdays, while sales in June 1980 were influenced in a negative way because of the five Sundays. In order to determine actual trends in fluid sales we adjusted the reported disposition to eliminate the effects of this calendar composition. Had this not been done one could have come to the erroneous conclusion that sales in the Florida markets were down substantially this year. In fact, however, marketing area Class I disposition in Florida was up nearly two percent over last year.

The table on this page of the Florida Fluid Milk Report shows the actual and adjusted percentage changes in marketing area Class I disposition for July. You will note that the actual percentage changes in the third column differ from the adjusted percentage changes in the fourth column. In evaluating trends in fluid milk sales, the adjusted percentage change provides a more meaningful year-to-year comparison because the effects of calendar composition have been eliminated.

Month and Year	Basic Formula Price		Upper Fla.* (Order No. 6)		Tampa Bay (Order No. 12)		S.E. Fla. (Order No. 13)	
	a/	b/	Class 1	Uniform	Class 1	Uniform	Class 1	Uniform
<u>1979</u>								
July	\$10.87	\$10.67	\$13.52	\$13.35	\$13.62	\$13.44	\$13.82	\$13.65
Aug.	11.09	10.76	13.61	13.53	13.71	13.54	13.91	13.77
Sept.	11.32	10.87	13.72	13.56	13.82	13.65	14.02	13.79
Oct.	11.25	11.09	13.94	13.81	14.04	13.88	14.24	14.07
Nov.	11.27	11.32	14.17	14.09	14.27	14.18	14.47	14.38
Dec.	11.34	11.25	14.10	13.81	14.20	13.85	14.40	14.17
<u>1980</u>								
Jan.	11.37	11.27	14.12	13.88	14.22	13.95	14.42	14.26
Feb.	11.35	11.34	14.19	14.00	14.29	14.13	14.49	14.35
Mar.	11.59	11.37	14.22	13.89	14.32	13.99	14.52	14.32
Apr.	11.68	11.35	14.20	13.85	14.30	14.04	14.50	14.29
May	11.66	11.59	14.44	14.20	14.54	14.33	14.74	14.60
June	11.68	11.68	14.53	14.21	14.63	14.27	14.83	14.63
July	11.73	11.66	14.51	14.32	14.61	14.35	14.81	14.59
1978 Avg.	9.57	9.29	12.14	12.02	12.24	12.02	12.44	12.26
1979 Avg.	10.91	10.77	13.62	13.46	13.72	13.49	13.92	13.75

a/ As reported for the month.

b/ Used in the computation of Class 1 prices for the month.

* 10 cents higher at plants located in or south of Flagler, Levy, Marion or Volusia Counties.

Number of Producers and Average Daily Delivery per Producer

Month and Year	Upper Florida		Tampa Bay		Southeastern Fla.	
	No. of Producers <u>1/</u>	Avg. Daily Delivery	No. of Producers <u>1/</u>	Avg. Daily Delivery	No. of Producers <u>1/</u>	Avg. Daily Delivery
		(pounds)		(pounds)		(pounds)
July 1979	228	8,749	121	9,888	114	17,592
Aug.	238	8,394	132	9,497	110	18,166
Sept.	228	8,558	131	9,739	115	17,475
Oct.	184	9,641	133	9,844	117	17,536
Nov.	229	9,217	135	10,614	75	27,627
Dec.	227	9,706	136	11,190	74	28,459
Jan. 1980	233	9,923	132	11,947	74	29,501
Feb.	241	10,262	124	12,196	71	31,796
Mar.	208	10,134	153	12,169	67	33,405
Apr.	212	10,272	152	12,255	67	33,386
May	208	10,037	154	11,447	66	32,137
June	218	9,290	141	10,805	66	30,419
July	237	7,925	133	10,198	66	28,468

1/ Adjusted to exclude producers who delivered less milk to plants pooled under this Order than to plants pooled under another Federal Order.